

Message Text

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SUBJECT: GOS RESPONDS TO PUBLIC PRESSURE, CUTS SURCHARGE ON OLD
VEHICLES

REF: A. SINGAPORE 0048 B. SINGAPORE A-104, 7/3/75

SUMMARY. GOS ON JANUARY 10 RESPONDED TO STRONG PUBLIC RESENTMENT
AND PRESS CRITICISM OF DRASTIC NEW AUTOMOBILE TAXES BY MAKING
MODEST CONCESSION. IN DOING SO, GOVERNMENT TACITLY ADMITTED
THAT NEW REGULATIONS WERE UNDULY SEVERE AND TRAUMATIC.
INCIDENT REVEALS LATENT POTENTIAL FOR
ERUPTION OF SIGNIFICANT POPULAR PROTEST WHICH
GOS PLANNERS MUST HEED WHEN IMPLEMENTING NEW POLICIES. END
SUMMARY.

1. AS REPORTED PARA 4 REFTTEL, PARTICULARLY CRITICIZED FEATURE
OF UNPOPULAR NEW GOS AUTOMOBILE TAXES INTRODUCED NEW YEAR'S
DAY IS SURCHARGE ON OLDER VEHICLES, WHICH CONSIDERED
ESPECIALLY INEQUIABLE. MINISTRY OF FINANCE ON JANUARY 10
ANNOUNCED SUBSTANTIAL CUTBACKS IN SURCHARGE, RETROACTIVE TO
JANUARY 1. MINISTRY STATED ACTION WAS IN RESPONSE TO REPRE-
SENTATIONS FROM PUBLIC FOR MORE TIME TO ADJUST GRADUALLY TO
NEW TAXES.

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2. GOS JANUARY 10 ANNOUNCEMENT RESULTS IN REMOVAL OF 30 PERCENT SURCHARGE ON CARS BETWEEN SEVEN AND TEN YEARS OLD, AND THE INTRODUCTION OF GRADUATED SURCHARGE SYSTEM ON CARS OVER TEN YEARS OLD.

3. IN ADDITION, NEWEST REGULATIONS SCRAP REQUIREMENT THAT EXISTING CAR OWNERS MUST HAVE OWNED THEIR VEHICLE FOR ONE YEAR TO QUALIFY FOR REDUCED REGISTRATION FEE ON NEW CAR PURCHASES. PRACTICAL EFFECT OF THIS CHANGE IN REGULATIONS IS TO INCREASE VALUE OF OLD CARS. OWNER OF AN OLD CAR CAN NOW MORE EASILY SELL HIS CAR TO SOMEONE WHO INTENDS TO BUY A NEW CAR, BECAUSE THE BUYER UPON PRESENTING EVIDENCE THAT HE HAS SCRAPPED THE OLD CAR CAN REGISTER THE NEW ONE AT GREATLY REDUCED FEE.

4. ALL OTHER LEVIES, INCLUDING 100 PERCENT AD VALOREM REGISTRATION FEE, HIGHER ROAD TAXES, AND HIGHER RESTRICTED ZONE ENTRY FEE REMAIN IN EFFECT, AND GOS HAS REITERATED ITS DETERMINATION TO LIMIT FUTURE GROWTH OF CAR POPULATION AND SUBSTITUTE NEW CARS FOR OLD.

5. GOS IS BELIEVED TO HAVE RELENTED ON OLD CAR SURCHARGE IN THE FACE OF SUBSTANTIAL PUBLIC CRITICISM. MOST VISIBLE PROTEST AGAINST NEW GOS MEASURES WAS STAGED BY APPROXIMATELY 110 MOTORISTS WHO FLEW BLACK FLAGS AND DROVE IN TWO PROTEST MOTORCADES FROM THE NATIONAL STADIUM TO SHANGRI-LA HOTEL. (POLICEWOMEN WHO TOOK DOWN LICENSE NUMBERS OF THE CARS INVOLVED DID SO OUT OF A "MISUNDERSTANDING OF INSTRUCTIONS," ACCORDING TO A POLICE SPOKESMAN.)

6. CAR TAX INCREASES WERE ALSO ROUNDLY CRITICIZED BY OPPOSITION BARISAN SOCIALIST AND UNITED FRONT WHICH, IN JOINT STATEMENT PUBLISHED IN JANUARY 8 NANYANG SIANG PAU, SAID:

"WE FULLY UNDERSTAND THAT MOST OF THE MOTORISTS ARE USING THEIR VEHICLES AS TOOLS FOR MAKING A LIVING AND NOT FOR ENJOYMENT. THEIR CASES ARE QUITE DIFFERENT FROM THOSE OF RICH CAR OWNERS WHO CAN AFFORD TO CHANGE THEIR CARS EVERY TWO OR THREE YEARS. FOR THE ORDINARY PEOPLE, THE LONGER THEIR CARS (PRIVATE OR LIMITED OFFICIAL USE

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HIRED CARS) CAN BE USED, THE BETTER FOR THEM. CLEARLY, THE RECENT CAR TAX HIKE IS INDEED A DISGUISED FORM OF EXTORTION.Z

7. MAJOR IMPETUS FOR GOS ("REPRIEVE", HOWEVER, CAME FROM GRASS ROOTS PROTESTS, LETTERS AND PHONE CALLS, FROM CAR OWNERS TO THEIR MEMBERS OF PARLIAMENT. MINISTER OF LAW AND ENVIRONMENT BARKER IN RECENT CONVERSATION WITH AMBASSADOR REMARKED THAT HE HAD NEVER EXPERIENCED SUCH AN OUTPOURING OF ANGUISH AND PRO-

TEST AS GENERATED BY THIS ISSUE. DEPUTY PRIME MINISTER GOH RUEFULLY COMMENTED TO DCM THAT THE SURCHARGE ON OLD CARS HAD PROMPTED A VERITABLE "HOWL" OF PROTEST FROM THE PUBLIC. AS A CONSEQUENCE, A NUMBER OF MEMBERS OF PARLIAMENT MET WITH FINANCE MINISTER AND PRIME MINISTER AND, IN TURN, A MODEST CONCESSION WAS PROFFERED.

8. ENCOURAGING TO SOME SINGAPOREANS, WHO HAD HERETOFORE CONCLUDED THAT THEIR NEWSPAPERS WERE TOTALLY SUPINE, WAS FACT THAT SINGAPORE PRESS ALSO PLAYED IMPORTANT ROLE IN INFLUENCING GOS TO RELENT. ALTHOUGH PRESS CRITICISM WAS SOMEWHAT INDIRECT AND MUTED, EDITORIALS AND NEWS STORIES GENERALLY REFLECTED WIDESPREAD PUBLIC CONVICTION THAT TAX INCREASES WERE EXCESSIVE AND INEQUITABLE. EVEN AFTER GOS CUTBACK WAS ANNOUNCED, STRAITS TIMES EDITORIALIZED THAT GOVERNMENT WOULD HAVE DONE BETTER HAD IT REMOVED SURCHARGE ALTOGETHER AND COME UP WITH A MORE EQUITABLE SCHEME.

9. ALTHOUGH GOS DOES FROM TIME TO TIME SUDDENLY SHIFT POSITION ON DOMESTIC POLICY (E.E., RECENT DECISION TO RELOCATE THE INTERNATIONAL AIRPORT FROM PAYA LEBAR TO GHANGI), THIS IS FIRST TIME IN RECENT YEARS THAT IT HAS BACKED DOWN IN FACE OF PUBLIC OPINION. TOO MUCH SHOULD NOT BE MADE OF THIS, HOWEVER; WHILE SINGAPORE COTORING PUBLIC HAS FORCED GOS TO RETREAT, IT IS HARDLY A ROUT. STEP BACKWARD COMES AFTER THREE GAING STEPS FORWARD. THUS INITIAL CAR-OWNERS' ELATION WITH SURCHARGE CUT HAS GIVEN WAY ONCE MORE TO GRUMBLINGS THAT GOVERNMENT SHOULD GO FURTHER AND RESPOND TO OTHER REAL GRIEVANCES REGARDING REMAINING TAXES.

10. GOS CAN , HOWEVER, NOW ARGUE THAT IT IS FLEXIBLE, AND CONCERNED WITH WORKING-CLASS MOTORISTS AMONG OLD CAR OWNERS WHO LACK ACCESS TO GOOD PUBLIC TRANSPORT.
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11. THE GOS-MOTORIST "BATTLE OF THE SURCHARGE" HAS HAD CERTAIN SERIO-COMIC NUANCES REMINISCENT OF THE MOCK EPIC: CREPE-DRAPED BMWs AND JAGUARS DRIVEN AROUND TOWN BY COMPANY DIRECTORS TO PROTEST THE DEATH OF MOTORING; A PROMINENT LAWYER OSTENTATIOUSLY HITCH-HIKING TO WORK AND WARNING THAT GOVERNMENT MEASURES WILL LEAD TO TRISHAW POOLS. NEVERTHELESS, THIS EPISODE MAY STILL CONVEY SEVERAL SIGNIFICANT LESSONS: FIRST, THAT THERE ARE INDEED LIMITS ON HOW HARD AND HOW FAST THE GOS CAN APPLY UNPLEASANT POLICIES IT DEEMS IN THE LONG-TERAM NATIONAL INTEREST; SECOND, THAT THE GOS RUNS THE RISK OCCASIONALLY OF OVERSTEPPING THESE LIMITS WHEN TOUGH NEW MEASURES ARE IMPLEMENTED WITHOUT PRIOR PUBLIC DISCUSSION OR DEBATE; THIRD, THAT THE PRESS, ALBEIT IN MUTED FASHION, STILL PLAYS A ROLE IN SINGAPORE POLITICS, AS DOES PUBLIC OPINION.

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